

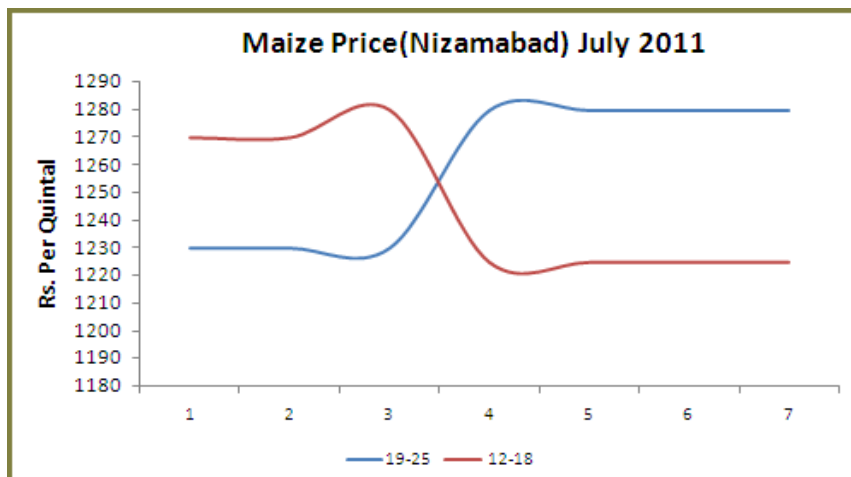
Domestic Market Recap

Maize price surged higher by 4.07% in the week ended July 25 as compared to the posted decline of 3.54% in the prior week. Surge remains attributed to the improved domestic demand at corrected price levels.

Export demand continues to be sluggish while there were some reports of the same happening with Malaysia. According to the same, Indian sellers were able to sell to Malaysia at USD 288 CFR and are able to match the Pakistan corn exporters.

Lagging crop progress in few southern regions due to deficit rains also remain a supportive factor, while sowing is likely to catch up as market sources from the region (Andhra Pradesh) convey that rains show improvement. The crop is expected to come early by

the 3rd week of September provided the climate remained favorable.



Current Market Dynamics:

Sources at Karnataka convey, while sowing remain in progress erratic rains may impact yields and the same may remain at 1.82 tons per hectare as compared to normal yields of 2 tons per hectare. Markets participants also convey that domestic demand may get sluggish in the immediate time as demand from poultry is likely to reduce in the upcoming months, while the starch industry people have kept enough stocks to cater to their requirements until the new crop hits the markets. Stocks are reported at 1 lakh 20 thousand tons.

In Bihar, quality issue continue to prevail as good quality commodity get scarce while there is hardly any demand for the low quality maize. Excessive rains in the region remain the cause of the distortion. Export demand continues to remain reportedly weak. Sources in the region also convey that excess rain scenario has caused a shift towards paddy. Area sown under Maize in Bihar is 2.42 lakh hectares as on 27 July as compared to 2.51 lakh hectares until same time last year.

Weather:

Weekly Rainfall departure: As reported by IMD

Rainfall remain deficient in most places in Karnataka and Andhra Pradesh, as depicted by the rain progress as on 27 July 2011 in comparison to previous week ending 20 July 2011, when rains recorded improvement. Weather progress remains on same lines in Andhra Pradesh, where rains again get deficient at the end of the latest week.

Karnatka	% Departure as on -20- 07-2011	% Departure as on -27- 07-2011	Andhra Pradesh	% Departure as on 20- 07-2011	% Departure as on -27-07- 2011	Maharashtra	% Departure as on -20- 07-2011	% Departure as on -27- 07-2011
Davangere	39%	-50%	Guntur	-54%	26%	Solapur	-11%	-57%
Haveri	62%	-54%	West Godavari	27%	-40%	Ahmednagar	47%	-5%
Belgaum	44%	-17%	Karimnagar	47%	-43%	Sangli	38%	-41%
Bellary	-37%	3%	Nizamabad	118%	-34%	Pune	85%	-59%
Chitradurga	14%	-49%	Krishna	10%	-23%	Buldhana	65%	-58%
Shimoga	131%	-5%	Khammam	75%	-52%			
Bagalkot	-57%	-62%	Warangal	43%	-59%			
Dharwad	16%	-30%						
Chamarajnagar	-6%	-17%						
Hassan	41%	-31%						

	Target Acreage	Actual acreage	Last year same time
Karnataka as on 25 July	11.24	8.51	8.37
Andhra Pradesh as on 20 July	5.00	3.65	3.92
Maharashtra as on July 25	7.65	5.08	5.92
Bihar as on 27 July	3.75	2.42	2.51
Uttar Pradesh as on 27 July	8.14	7.81	8.37

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		(26 th July, 2011)				
Delhi	Hybrid	1140	1100	1135	1260	1030

Davangere	Bilty	1240	1200	1230	1200	1050
Nizamabad	Bilty	-	1230	1280	1200	1100
Naugachia	Bilty	1035	975	1000	1030	925
Kolkata	Mill	-	1170	1150	1200	1050
Ahmedabad	Feed	1260	1260	1300	1230	1175
	Starch	1220	1220	1250	1215	1150

Indicative Market Arrivals (in Bags)

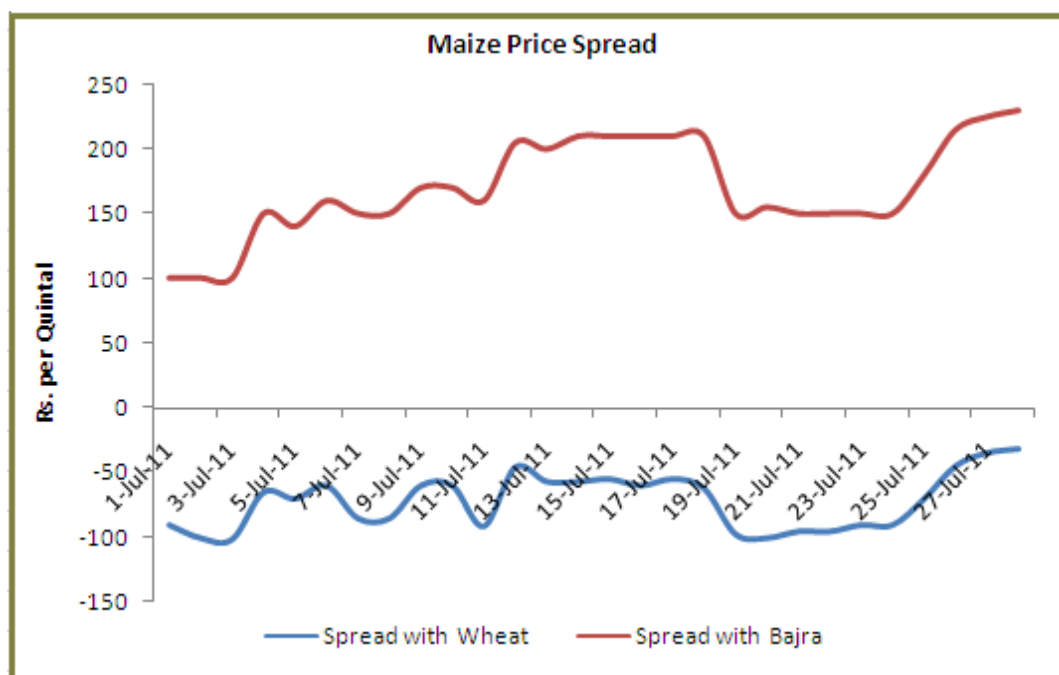
Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
Nizamabad	Bilty	3000	-	200	200	1500
Davangere	Bilty	-	450	400	200	-
Naugachia	Bilty	500	200	200	500	300

One Bag= 100 kg

Comparative Prices: Likely Impact on Maize Demand:

Date	Delhi Market					
	Maize	Wheat	Bajra	Spread with Wheat in July 2011	Spread with Wheat in June 2011	Spread with Bajra in July 2011
1-Jul-11	1100	1190	1000	-90	50	100
2-Jul-11	1100	1200	1000	-100	35	100
3-Jul-11	1100	1201	1000	-101	25	100
4-Jul-11	1120	1185	970	-65	35	150
5-Jul-11	1120	1190	980	-70	34	140
6-Jul-11	1120	1180	960	-60	55	160
7-Jul-11	1100	1185	950	-85	50	150
8-Jul-11	1100	1185	950	-85	40	150
9-Jul-11	1120	1180	950	-60	15	170
10-Jul-11	1120	1180	950	-60	10	170
11-Jul-11	1090	1181	930	-91	5	160
12-Jul-11	1135	1181	930	-46	4	205

13-Jul-11	1135	1192	935	-57	10	200
14-Jul-11	1135	1192	925	-57	15	210
15-Jul-11	1135	1190	925	-55	-10	210
16-Jul-11	1135	1195	925	-60	-20	210
17-Jul-11	1135	1190	925	-55	-10	210
18-Jul-11	1135	1197	925	-62	-45	210
19-Jul-11	1100	1197	950	-97	-46	150
20-Jul-11	1100	1200	945	-100	-60	155
21-Jul-11	1100	1195	950	-95	-55	150
22-Jul-11	1100	1195	950	-95	-45	150
23-Jul-11	1100	1190	950	-90	-45	150
24-Jul-11	1100	1190	950	-90	-40	150
25-Jul-11	1115	1185	935	-70	-35	180
26-Jul-11	1140	1185	925	-45	-35	215
27-Jul-11	1150	1185	925	-35	-70	225
28-Jul-11	1150	1182	920	-32	-75	230



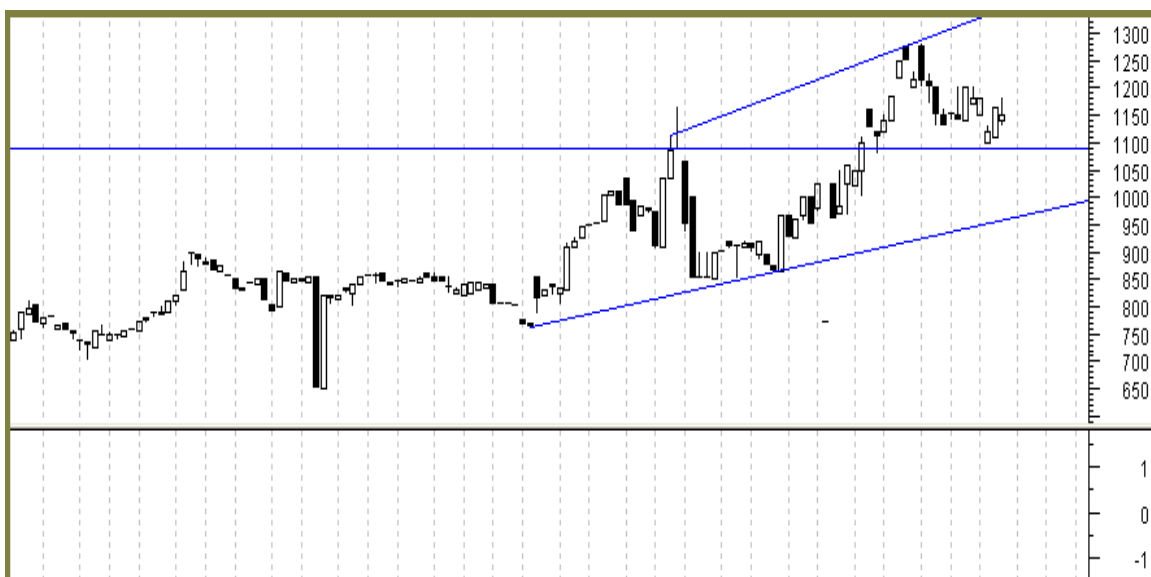
- Price spread between Maize and Wheat continue to remain negative but the difference between the prices of the two reduces further. Recovery in Maize price and decline in the wheat price in the week ended 28 July remain contributory to the same. While Maize

continue to remain affordable as compared to wheat, the reduction in the gap between the prices is likely to cause some demand drift towards wheat.

- Price spread between Maize and Bajra, however continue to remain positive and wide, indicating attractiveness of Bajra over Maize. On Month on Month basis, Maize price spread with wheat was wider last month as compared to current month, which remain indicative of improvement in wheat demand remains likely from the last month's level.
- As, a result, demand substitution prospects gets favorable for wheat as compared to Maize while Bajra continue to remains a more attractive bet on the same from due to better affordability.

Spot Price (Loose) at Karnataka: Price Outlook

Maize: Davangere (Loose Price)



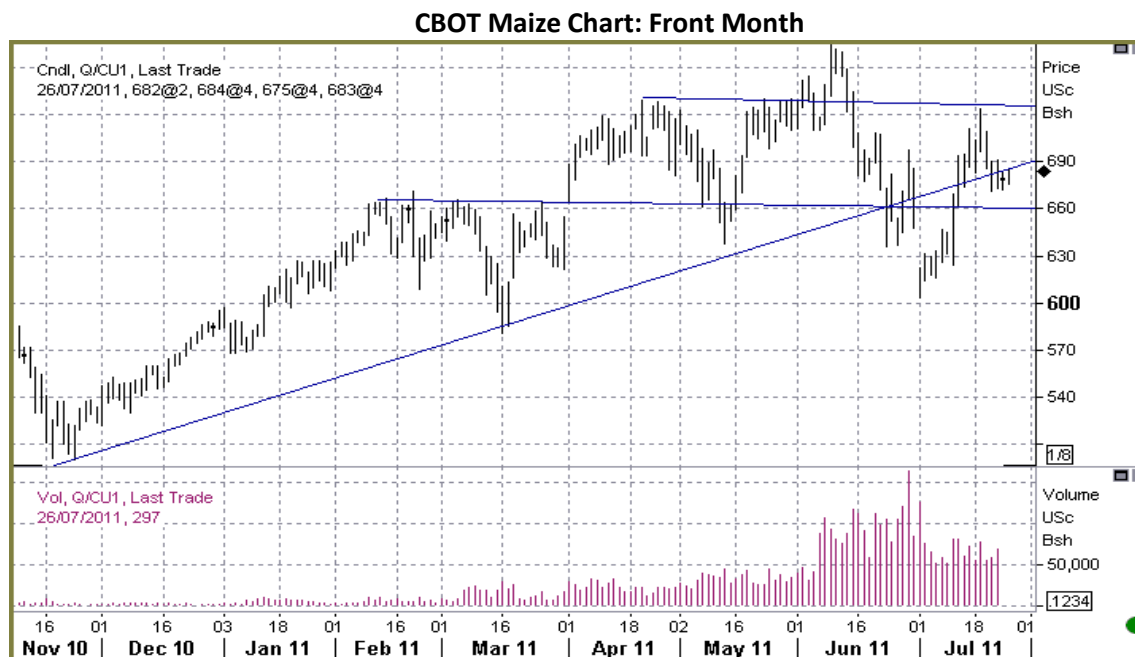
- Maize Price remains range bound. Recovery from supports happen, resistances are still capable of containing the price growth.
- 1100 on the lower side is an important support for the price, while 1200 remains the immediate capable resistance levels. While a direction move is likely beyond these levels, until the same happens ranged action is likely.
- Bears will continue to be in picture during the recovery, until the price breaks above 1200 level, convincingly.
- **Strategy:** Buying at dips can be the likely trading strategy with a strict stop loss below 1100, while, while the same move above 1200 is also likely to be fruitful. Keep note of the fact that sellers may

try to exercise their power near the mentioned resistance, so remain watchful of the same and be prepared to reverse the trade in case the same happens.

International Market Highlights:

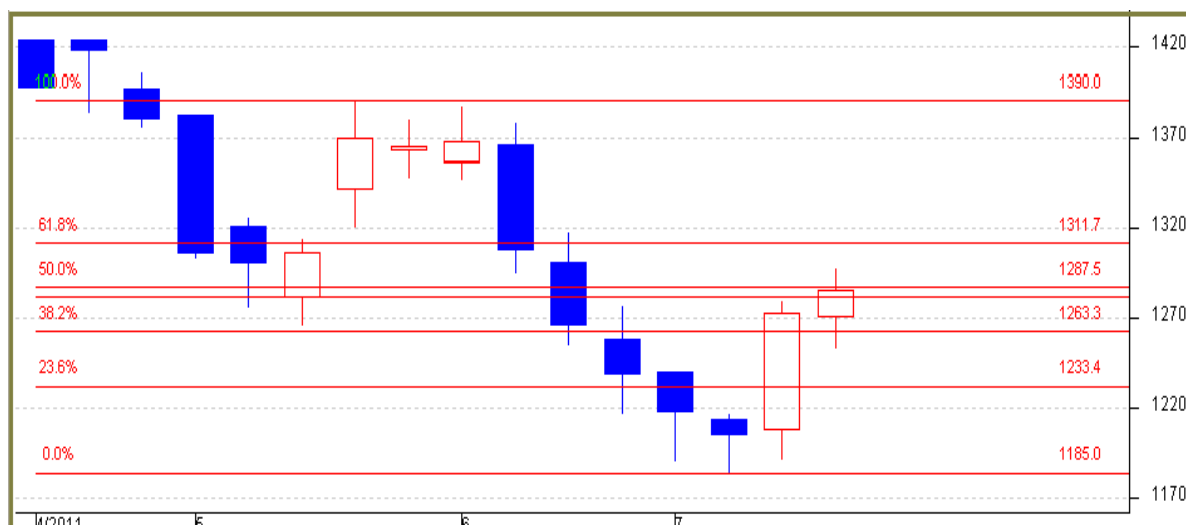
- USDA lowered its corn crop condition ratings in report issued in the mid July, which seemed to put a floor below corn futures, and prices turned and bounced higher. However as on 25 July (towards the end of the month) US corn futures retreated on expectations that moderating weather conditions would benefit the crop. Weekend rains gave the corn crop a boost after a Midwest heat wave last week. Temperatures turned less threatening.
- Heavy rains drenched parts of the U.S. Midwest this past weekend and more rain should fall this week along with the mercury, easing stress on the pollinating corn crop. But hot temperatures and dry weather will persist in the southern tier of the Corn Belt, stressing the crop in states like Missouri. There may be a net reduction overall in corn yield because of the fact yields are losing as we move south, however yields are maintained in the north. Weekend storms dumped 1.5 to 3 inches (3.8 to 7.6 cm) of rain in eastern Iowa and 3 to 8 inches in the eastern Midwest, soaking northern Illinois, Indiana and Ohio. Chicago set an all-time daily record for rainfall on Saturday with 6.86 inches (17.4 cm), most of it falling in the hours before dawn. But amounts were lighter across the rest of the Corn Belt, with central and southern Illinois, Indiana and Ohio receiving 0.25 to 1 inch over the weekend.
- Temperatures cooled after a scorching heat wave in the core of the crop belt last week raised concerns about yield prospects for corn and soybeans. The forecast called for another round of showers at midweek, with the western Midwest expected to see 0.3 to 1.5 inches in the last week of July, and similar amounts in the eastern belt as well. The heaviest showers should favor southern Minnesota and eastern Iowa, northern Illinois, Indiana and Ohio, with much less rain expected to the south.
- However, temperatures should be normal to above-normal in the Midwest, with highs in the mid-80s to mid-90s Fahrenheit (29 to 35 Celsius). There is no indication that the core of the (high-pressure) ridge will move back into the heart of the Midwest. However, highs could reach the upper 90s in southern areas including Missouri to the Ohio River Valley. The six- to 10-day forecast for July 30 through Aug. 3 called for mostly above-normal temperatures in the Midwest.

CBOT Corn Futures Outlook:



- Maize Price Trend remain range bound
- 725-660 is the trading range for the price, while any directional move is likely beyond these levels only, until the same happens price will continue to hover in the mentioned range.
- Strategy: Buying at dips may be undertaken until 660 on the lower side stay unbreached while below the same bears will get active once again.

Futures Market Analysis: NCDEX Maize



- Maize price trend remains range bound. Pullback may extend, resistance may intervene although.
- 1250-1300 is the applicable trading range for the price. Drift in either direction will take it further in the respective same.
- Positioning of RSI in the weekly chart continue to favor bears.
- **Strategy: Buying at dips near 1250, can be the likely trading strategy, with a stop loss below 1235 for the targets until 1300/1330. Keep note that, while bulls will be able to march ahead above 1300 level as well, until it is crossed, possibility of a dip will remain open.**

Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1240	1255	1275	1290	1320

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